GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2087
ANSWERED ON:06.05.2016
Funds for Odisha
Panda Shri Baijayant "Jay"

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government is aware that the differential cost has been cut from the developmental funds of Odisha;

(b) whether the Union Government plans to establish a Inter-State council as a consultative mechanism between the Union and States on this issue;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a): Following of recommendation of the 14th Finance Commission (FFC) to increase States' share from 32% to 42% in divisible pool of Union taxes providing greater autonomy in financing and designing of schemes to the States including Odisha as per its contextual needs, some of the Plan schemes including block grants stand subsumed in larger devolution of Union taxes flowing to the States. Further, on the recommendations of the Sub Group of Chief Ministers Centrally Sponsored Schemes (CSS) have been rationalized. The trend in Central transfers to the State of Odisha given as under shows that receipt of the State in its share in Central taxes and grants-in-aids over the years has constantly been increasing.
(Rs. in crore)
Year Share in Central Taxes Grants-in-aid* Total
2013-14 15247.24 8429.42 23676.66
2014-15 16181.21 12917.50 29098.71
2015-16 (Revised Estimate) 23573.75 17295.43 40869.18
2016-17 (Budget Estimate) 26567.56 37027.61 63595.17
Total 81569.76
75669.96
157239.72

*: Releases made under Special Plan for KBK districts of the State and Finance Commission Grants.
Source: State Finance Accounts, Union Budget Documents and State Budget Documents.

(b) to (d): The Union Government has no proposal to establish a Inter-State Council as a consultative mechanism between the Union and States since an Inter-State Council in terms Article 263 of the Constitutions already in place which has been entrusted with investigating and discussing such subjects, in which some or all of the States or the Union and one or more of the States have a common interest, as may be brought up before it, making recommendations upon any such subject and in particular recommendations for the better coordination of policy and action with respect to that subject and deliberating upon such other matters of general interest to the States as may be referred by the Chairman to the Council.
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